



## QRIS RESOURCE GUIDE: SECTION 6 PROVIDER INCENTIVES AND SUPPORT

An essential element of a quality rating and improvement system (QRIS) is the support offered to child care providers to assist them in understanding and meeting the standards and quality criteria. States may already have support services in place that can be linked to the QRIS, or they may need to invest in new services, or both. This section addresses various types of support services, such as professional development opportunities and targeted technical assistance approaches, as well as financial incentives for programs and individual staff.

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### Providing Program and Practitioner Outreach and Support

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#### ***Recruiting programs***

In most States, participation in a QRIS is voluntary so outreach activities are used to promote QRIS goals and benefits and encourage programs to participate. Recruitment of early and school-age care and education programs into the QRIS can be done through a targeted approach or a general marketing campaign. The goal of marketing is to reach all eligible programs by distributing information through existing communication systems. A targeted approach engages selected tactics to recruit a subset of providers, e.g., center-based preschools. One example of a targeted approach is when the organization that will be administering the QRIS sends information directly to providers. An even more direct approach is to invite providers to meetings or workshops where the QRIS is explained and programs are invited to enroll.

States may promote participation by using a range of marketing efforts to publicize the benefits to providers:

- Developing promotional materials that are distributed through licensing and subsidy staff, child care resources and referral (CCR&R) agencies, trainers, college faculty, Child and Adult Care Food Program staff, United Way agencies, professional organizations, and others.
- Posting QRIS information, frequently asked questions, and resource materials on a QRIS Web site, as well as on Web sites hosted by other organizations (for a listing of States that share QRIS information on their Web sites, see the NCCCQI's (2013) document about consumer education at <https://childcareta.acf.hhs.gov/resource/consumer-education-about-child-care-options>).
- Sponsoring orientation sessions or Webinars for potential QRIS participants and the early childhood community at large.
- Conducting orientation sessions for other organizations that have contact with early and school-age care and education programs in the community.
- Designating specific QRIS outreach staff to encourage participation and provide technical assistance.
- Conducting a provider or consumer survey, or both, to determine familiarity with the QRIS; the survey can provide baseline information and offer an opportunity to send targeted information to those who are not currently familiar with QRIS.

In some States, the agency responsible for administering the QRIS assigns specific outreach and recruitment activities to staff. **Oklahoma** has Outreach Specialists and Consultation and Technical Support Specialists who encourage programs to participate and assist them with applications; **Pennsylvania** has STARS Managers or Specialists who take on this responsibility for their specific geographic region.

### GEORGIA'S DEPT. OF EARLY CARE AND LEARNING (DECAL) USED COHORT MODEL IN RECRUITMENT TO QUALITY RATED

Recognizing that their early care and education system was composed of many subsystems, Georgia created a technical assistance cohort model to help the various subsystems as they moved through the **Quality Rated** process. In their recruitment process, they grouped child care programs by cohorts, e.g., franchise systems, corporate chains, faith-based, Head Start, family child care associations, Montessori programs, etc. A dedicated staff person was assigned to each cohort to facilitate their progress in Quality Rated. For example, the staff facilitator arranged for the directors and teachers to meet with the Professional Development Registry staff and have an onsite review of the program's staff credentials. Cohort participants benefited from targeted technical assistance, system level support for quality reform, professional networks to support continuous quality improvement and ongoing professional growth. The staff facilitators' work with the corporations often resulted in changes in the corporation's policies. The approach was "how do we help your system with our system?"

### SOCIAL MARKETING CAMPAIGN FOR PARENTS AND PROVIDERS IN LOUISIANA

Louisiana launched a multifaceted social marketing campaign aimed at boosting child care center participation in **Quality Start**, the State's QRIS, as well as a package of School Readiness Tax Credits (SRTC) linked to Quality Start. Louisiana State University conducted a statewide survey of parents and child care providers to determine their familiarity with Quality Start and the SRTC. Researchers sent targeted information to providers that were unaware of the new supports. The State also partnered with Tulane University and Keating Magee, a marketing firm, to develop a detailed social marketing plan aimed at ensuring that parents and providers are not only familiar with Quality Start and the SRTC, but also understand what is required to participate and can take advantage of these benefits. Additional information is available at <http://www.qrsloisiana.com/>.

### *Orientation sessions and materials for programs*

All QRIS offer an orientation to assist providers in understanding what is expected and how to participate. **Kentucky** has STARS Quality Coordinators who provide STARS overviews and technical assistance in completing the process and **Ohio** offers a "Step Up to Quality 101" training session where providers learn about the requirements and benefits. **Pennsylvania** believed that this initial orientation was so critical to a provider's QRIS success that it developed standardized materials and instituted a requirement that a director must complete the STARS Orientation to enroll in Keystone STARS. To ensure that providers had the information needed to participate, **Arkansas** held a series of Better Beginning Regional Clinics with a variety of subject matter specialists available onsite to provide consultation.

Several States have program or policy guides that provide the reader with detailed information about the QRIS. Some topics are universally included in these guides, while other topics only appear in a few States' guides. Examples of topics include:

- Detailed information about the initial and renewal application process

- Information about adverse or punitive actions that can/will result from failing to meet licensing or other requirements
- Information about what programs are eligible to participate in the QRIS
- A list of the standards for the QRIS included in the document
- A definitions list, glossary, and/or acronyms list
- Information about financial incentives and other program supports including professional development and Technical Assistance
- Information about the roles, responsibilities, and/or authority of the entities involved (i.e., the different agencies and partners)
- Information about the process for a provider to appeal a rating
- In-depth information about program assessment tools, such as Environment Rating Scales or CLASS
- Detailed information about the evidence required to demonstrate each standard
- General information about what a QRIS is
- Information about the data system or Web interface used in the QRIS
- Information about how a program can leave the QRIS
- In-depth information about either the research specifically behind the States' QRIS or about how the State is going about evaluating the QRIS's efficacy

Additional information and links to State program guides and web sites is available in *Quality Rating and Improvement System Program Guides* (2015), by NCCCQI, at [https://occqrisguide.icfwebservices.com/files/QRIS\\_Program\\_Guides.pdf](https://occqrisguide.icfwebservices.com/files/QRIS_Program_Guides.pdf).

## ILLINOIS QUALITY COUNTS QRS AND EXCELERATE ILLINOIS ORIENTATIONS

Family child care providers, licensed and licensed exempt, interested in finding out more about the Illinois **Quality Counts Quality Rating System (QRS)** can participate in a free QRS Orientation offered by their local Child Care Resource & Referral (CCR&R) agency or online. The Orientation covers eligibility requirements, application process, and supports and resources available. Potential applicants must attend this session prior to submitting an application. Training on assessment scales is also required prior to application. Training on the Environment Rating Scales is required prior to application at any Star Level. Business Administration Scale (BAS) training is required if applying for Star Level 3 or 4. Both trainings are offered by the local CCR&R agency at a cost of \$15 per 3- to 4-hour session. Additional information is available at <http://www.ilqualitycounts.com/qrs/training-for-providers>.

Prior to application to **ExceleRate Illinois**, licensed child care centers need to complete the free 2 hour ExceleRate Illinois Orientation in addition to other training depending on the Circle of Quality they have chosen to prepare for and achieve. The orientation covers ExceleRate Illinois cross sectors standards, eligibility requirements, application process, and supports and resources available. All licensed centers are recognized at the Licensed Circle of Quality, the System's foundational level of quality. The Bronze Circle of Quality focuses on training around quality practices. The Silver and Gold Circles of Quality focus on continuous quality improvement and assessment of quality. Additional information is available at <http://www.exceletrateillinois.com>

In addition to orientation and other customized training to inform and support QRIS applicants, many States also provide online manuals, resource guides, or toolkits. These resources help to ensure that participants understand the requirements and expectations of the QRIS program, are aware of the supports and rewards that are available, and have access to tools that can help the programs attain, maintain, and improve their quality ratings.

## IDAHOSTARS WORKBOOKS SUPPORT APPLICATION PROCESS

**IdahoSTARS** provides workbooks for both family child care and centers. The workbooks detail each step of the application and award process, contain forms, and list resources needed to attain and maintain a quality rating. The workbooks are available online and can be downloaded as PDFs at <http://idahostars.org/?q=workbook>.

## OHIO STEP UP TO QUALITY GUIDANCE DOCUMENTS

In October 2013, Ohio implemented a revised **Step Up to Quality (SUTQ)** system. There are several guidance documents available for providers participating in SUTQ:

- Guidance Document Part One – Introduction
  - ◆ Includes basic information about SUTQ, including the goals and history of SUTQ.
- Guidance Document Part Two – Understanding Implementation
  - ◆ Includes eligibility requirements for participation in SUTQ, the procedure for submitting a registration, and the process of determining if a program will be awarded a star rating.
- Guidance Document Part Three – Standards for Programs
  - ◆ Provides an in-depth review and explanation of the standards for center-based programs.
- Guidance Document Part Three – Standards for Type A Family Child Care Homes
  - ◆ Provides an in-depth review and explanation of the Standards for Type A Family Child Care Homes.
- Program Standards Resource Guide
  - ◆ Contains lists of commonly used tools, instruments and resources to assist learning and development programs in meeting the SUTQ Program Standards.
- Frequently Asked Questions (FAQs)

The Guidance Documents are available at [http://www.earlychildhoodohio.org/sutq\\_guidance\\_faq.php](http://www.earlychildhoodohio.org/sutq_guidance_faq.php).

## ARKANSAS TOOLKIT SUPPORTS PROVIDER'S SUCCESS

On the Arkansas **Better Beginnings'** user-friendly Web site, providers can access four resources after choosing between Family Child Care Home, Center, and School-Age: Checklists, Application, Toolkit, Better Beginnings Guide, and Rule Book. The checklists serve as a self-assessment tool for a provider to determine if they can meet criteria at different levels. The toolkit helps providers gather and structure necessary information and document their program's progress throughout the certification process and beyond. Included are:

- Administrative tools such as budgets, parent handbooks and agreements, parent surveys, professional development plans, performance appraisals, salary scales, and a strategic planning template;
- Arkansas' professional development resources;
- Child health and development resources;
- ERS Subscale Self-Evaluation Form; and
- Learning environment resources such as children's portfolio documentation, curriculum plans and daily schedules.

When Better Beginnings was first launched, a series of clinics were held throughout the state where providers could receive an orientation and have their questions answered. The Web site is at <http://www.arbetterbeginnings.com/providers-teachers/providers>.

## MASSACHUSETTS DEPARTMENT OF EARLY EDUCATION AND CARE CREATES SIMPLE GUIDE

To assist with the QRIS application process a 2-page guide with the step-by-step process, examples of assessment tools, and illustrative graphics were developed and posted on the Web site along with other resources. Additional information is available at [http://www.eec.state.ma.us/docs1/qris/20110525\\_qris\\_assessment\\_guide.pdf](http://www.eec.state.ma.us/docs1/qris/20110525_qris_assessment_guide.pdf).

In addition, Massachusetts also offers support to providers new to the QRIS with the following supports:

- Orientation sessions in the five regional offices following Licensing Renewal meetings;
- Trainings on QRIS with Educator/Provider support grantees;
- Trainings on all of the measurement tools required for the QRIS;
- A Program Quality Specialist in each regional office who is able to provide technical assistance via phone, email, or site visits; and
- Monthly technical assistance webinars to field coaches and mentors.

## MISSISSIPPI PROVIDER WORKBOOK: A STEP-BY-STEP GUIDE TO QRIS

The Mississippi Department of Human Services' (MDHS) Division of Early Childhood Care and Development contracted with the Mississippi State University Early Childhood Institute to develop easy-to-read manuals for meeting the Mississippi Child Care Quality Step System standards. The Institute publishes manuals for licensed centers and school-based programs. The workbooks include overviews of the rating system's standards, criteria and documentation checklists for each rating level, enrollment forms, and many templates and forms to help providers meet and document the quality improvement requirements. MDHS sponsors publication of print editions for all programs that enroll in the rating system; online editions are available at no charge. The forms include staff professional development plans, a director/coordinator self-assessment, a staff evaluation, a program mentor record, a classroom learning centers plan, a weekly lesson plan, and a Transition-to-Kindergarten Plan. The complete workbooks are available at

<http://earlychildhood.msstate.edu/programs/qualitystars/earnyourstars/index.php>.

### *Outreach and support services*

In conjunction with recruitment and outreach to programs, QRIS staff typically offer assistance to providers with the application process. Although general information about how to apply for QRIS can be covered in the orientation sessions and guidance documents mentioned above, programs often need individual support to answer specific questions about expectations and their involvement. Several states have developed user-friendly, on-line applications that can reduce the amount of TA that is needed.

Supports, such as training, mentoring, and technical assistance, are often made available to QRIS applicants as well as those seeking to achieve and maintain higher levels of quality. All States currently have professional development systems that organize training opportunities for early and school-age care and education providers, including specific certifications or credentials for infant and toddler care, school-age care, and care for children with special needs. These systems recognize practitioners' achievements and create quality parameters for available training. States can use these systems to help programs meet higher professional development standards and progress toward higher QRIS ratings. Examples of State outreach and support activities are listed below.

- **North Carolina** has worked to ensure that every community college in the State offers early childhood coursework that meets the credentials specified in its QRIS. It also has a statewide articulation agreement to support the transfer of credits and degrees from one higher education institution to another.
- **Pennsylvania** created a program improvement system aligned with its QRIS by redesigning its professional development system to integrate program technical assistance.
- To assist providers in meeting the QRIS standards, **Delaware** is in the process of redesigning its professional development system to include stronger quality assurance processes in the development and delivery of training events, along with a scope and sequence of its topics.



## EARLY CARE AND EDUCATION PROFESSIONALS IN MIAMI-DADE COUNTY DEVELOP A KEY QRIS ELEMENT

System planners in Miami-Dade County, Florida, created the Quality Counts Career Center (QCCC) to raise the educational level and stability of staff prior to rolling out their QRIS. QCCC administers scholarships for formal education, supplementing the State's Teacher Education and Compensation Helps (T.E.A.C.H.) Early Childhood® Project funds; coordinates the WAGE\$ incentive program; provides mobile Career Advisors to assist staff in QRIS programs to engage successfully in formal education; and maintains an online community training calendar. The professional development efforts are supported by a local registry that also serves as a documentation repository for the staff qualifications component of the rating system. Additional information is available at <http://www.QCcareers.org>.

## INTEGRATING PROFESSIONAL DEVELOPMENT INTO THE QRIS IN MONTANA

Montana has long supported professional development with an early and school-age care and education practitioner registry, and specific educational certificates and support for attaining them, including scholarships and several forms of merit pay. In the **Best Beginnings STARS to Quality Program**, management for all professional development services will be located in one entity, the Montana Early Childhood Project (ECP), making it a one-stop shop for practitioners. All professional development is tied to the early childhood knowledge base, and financial support rewards certificates and college-level coursework. These included the Practitioner Registry Achievement and Renewal Awards, as well as Professional Development Incentive Awards and scholarships for CDA Assessment, and accreditation through NAEYC or NAFCC. Additional information is available at <http://www.dphhs.mt.gov/hcsd/childcare/bestbeginnings/bestbeginningsstarstoquality.shtml> and <http://www.mtecp.org/>.

Relationship-based professional development (RBPd) opportunities, such as technical assistance, consultation, mentoring, and coaching, are important supports to a program and can be strategically linked to QRIS participation. These supports can be designed to help programs meet specific standards in QRIS areas, such as learning environment or accreditation; working with specific age groups; or integrating children with special needs. RBPd services can be delivered through community-based organizations, such as CCR&Rs and professional development organizations; higher education institutions; or contracts with private consultants. A number of recent studies have indicated the value of technical assistance in helping programs understand what quality is and how to achieve it. This type of support is most effective when targeted and specialized, and can therefore potentially be costly. It is important to clearly link these supports to areas of identified need and program improvement plans. In addition, the qualifications and supports for technical assistance providers are also directly linked to successful results. States have begun to test out new, more cost-effective approaches to QRIS technical assistance that focus on strengthening the capacity of participating programs to sustain gains and remain focused on continuous quality improvement. States that have linked RBPd opportunities to QRIS include the following:

- To help its programs attain higher star ratings, **North Carolina** has aligned all of the technical assistance and support initiatives provided by the Smart Start Early Childhood initiative or by the CCR&R agencies with the QRIS standards.
- Providers that enroll in **Indiana's** Paths to QUALITY QRIS are eligible to participate in specialized coaching relationships with their local CCR&R agency and through the Indiana Association for the Education of Young Children. Through a technical assistance process, the coach helps the provider work to achieve Levels 2 and 3. Once at a Level 4 a coach from the Indiana Accreditation Project

assists providers in achieving accreditation and Level 4. Providers also have the option of choosing self-guided study.

- Programs participating in **Maine's** QRIS have access to targeted assistance from a variety of sources including the Head Start Quality Initiative, Maine Roads to Quality, and the Center for Community Inclusion and Disability Studies.
- **Georgia** created a TA 'cohort' approach that assigned a single coach to a network of centers or homes. Cohort participants included multi-site child care chains and franchises as well as networks with a similar philosophy such as Montessori. The goal was to reach out to the mid-level managers in these organizations and strengthen their capacity to provide on-going support after the time-limited state TA ended. The cohorts were also assigned to a single licensing, Pre-K and subsidy coordinator to facilitate these relationships as well

### COMPREHENSIVE, STATEWIDE TRAINING OPPORTUNITIES SUPPORT ARKANSAS PROVIDERS

Arkansas always had a rich offering of early childhood coursework for child care providers, but with the launch of **Better Beginnings**, training was aligned with the QRIS criteria to support providers in attaining higher star levels. Some of the more innovative training that is available includes:

- Orientation training for directors and family child care providers, and pre-employment training for people that are new to the field of child care.
- Certificate programs for administrators, caregivers, and child care specialists based on ages of children served.
- A 30 hour course providing an introduction to the AR Early Childhood Education Framework that includes curriculum development, planning activities, assessment and evaluation and portfolio development. There is also a 12 hour course on the Infant Toddler Framework.
- Two 30 hour courses that focus on language and literacy development and on math and science strategies in working with young children.
- A 45 hour course addressing strategies and activities to ensure healthy social emotional development in programs for children ages 3-5 years.
- Welcome the Children training and technical assistance to assist early childhood professionals to better understand diversity, appreciate cultural differences and similarities, learn strategies to support English Language Learners, and promote inclusion.

QRIS technical assistance staff in Philadelphia have been able to work in a much more cost-effective manner by linking support to the on-line, automated pathway to QRIS. Instead of traveling out to a site, sitting next to a director, and reviewing hand-written documents, TA staff can work on the phone using downloadable templates available on the Web site. Time spent on TA activities that relate to paperwork processes like forms and handbooks has been drastically reduced, freeing up staff to focus on tasks that require on-site observation and relationship-building such as supporting new teaching practices.

### ***Aligning services with the rating standards***

As QRIS and professional development systems evolve, it is important to ensure that there is an alignment of services. The **Pennsylvania** QRIS includes strong requirements for providers in the areas of staff qualifications and ongoing professional development. These requirements focus on attainment of certificates, credentials, and degrees. When the QRIS was launched, the State quickly aligned its delivery of professional development to support providers in accessing required coursework, shifting from noncredit, workshop-type training to coursework that either was credit-bearing or could articulate to credit.



States can also focus financial assistance for professional development on QRIS participants through reduced or free coursework, scholarship assistance, and other incentives. Quite a few States target the T.E.A.C.H. Early Childhood□ Project initiative toward staff who work in programs that participate in QRIS. T.E.A.C.H. Early Childhood□ Project and similar scholarship programs help these staff pay the costs of tuition, books, and travel, and also provide a compensation incentive.

### ***Creating new services to help programs meet standards***

When developing a QRIS, it is important to conduct an assessment of existing support services. This inventory, examined against the requirements in the standards, can provide the State with critical information regarding existing capacity to support the system. There may be services that exist in some geographic areas and not others. Some areas of a State may have more resources readily available that can be integrated into the QRIS. Other areas will not have this capacity and may need assistance in building it.

An example would be a QRIS that requires a program director to obtain a Director's Credential. In addition to ensuring that the required credentialing courses or training are available, consideration must be given to when the courses are offered and how they are accessed. It may be difficult for child care providers to attend evening training sessions when they are still caring for children until early evening. It is also challenging for providers in rural areas to access workshops or courses when they have to drive long distances to reach a course location. Distance education coursework and delivery in real time or on demand can ease some of these access issues. This is not the solution for all, of course, as some individuals do not learn as well with this approach, or may not have the technology or skills to access these systems.

#### **MASSACHUSETTS DEVELOPS ONLINE COURSES IN MULTIPLE LANGUAGES**

The Department of Early Education and Care (DEEC) developed an online fundamentals course on QRIS in multiple languages (English, Spanish, Haitian Creole, Chinese, Khmer, and Portuguese) for providers. This course is designed to introduce early education and out-of-school-time educators to the **Massachusetts QRIS** so that they become familiar with and participate in QRIS. The first 2-hour course module introduces the QRIS and explores the current science of brain development. The next four modules introduce the five categories of the QRIS standards and the tools that measure process and structural quality indicators. The final module covers how to apply this knowledge to an early education or out-of-school-time program to identify areas for program improvement. More than 1,500 educators have accessed the course since its launch. In addition to the fundamentals course, DEEC has begun to develop QRIS Technical Assistance Courses. The modules will provide in-depth knowledge in and strategies for QRIS content areas and standards, be easily accessible to professionals currently working in the field, and be translated into Spanish.

States are challenged to develop new and creative ways to deliver training and education. What worked in the past may not work in a new system with heightened requirements. As more is expected of programs participating in the QRIS, more can also be expected of the organizations supporting them. To address this concern, several States have developed trainer and training approval systems. Others have created performance standards for training organizations, which are based on QRIS participation and improvement among their clients.

## PA ESTABLISHES ACCOUNTABILITY MEASURES FOR THEIR TA SYSTEM

In 2008 – 2009 Pennsylvania developed the STARS Technical Assistance Accountability Plan (STARS-TAAP) to support consistency and quality in technical assistance across the commonwealth. The system consists of the following key performance areas:

- *Qualifications, Professional Development and Professionalism* includes requirements of technical assistance consultants to ensure consultants are highly qualified and continue to stay current on trends, research and issues in the field.
- *Reporting Obligations* to include timely, accurate submission of reports, timely follow-up and completion of referrals, records management and targets.
- *Measurable Impact on Provider* establishes the expectation that technical assistance will have some influence on the measurable improvement of a program. Change affected may be in knowledge, skills, attitudes or behaviors in the target population resulting in improvement in specific standards, STAR level change and “stickiness” of the improvement.

More information on this project can be found at

<http://www.ocdelresearch.org/Research%20Briefs/Forms/AllItems.aspx>

As a State gains more experience with QRIS, it may find that it needs to realign or create new training, technical assistance, or outreach services. It is important to collect data on how the QRIS system is working: data that can indicate how long it takes a typical provider to move from one level to another and the most significant barriers to progress. It is possible that by adding a new orientation session, or by requiring training on the use of the environment rating scales (ERS), some of these barriers can be eliminated or reduced. A State may also find that strengthening provider support groups, creating networks of directors, adding accreditation support services, or encouraging Shared Service Alliances are worthwhile investments in the path toward quality.

## BUSINESS PRACTICES COURSEWORK DEVELOPED IN MASSACHUSETTS

In 2012, DEEC began to develop a Business Planning Course for early educators to help them implement sound business practices that will result in higher scores on the PAS, BAS, and APT and to achieve a higher QRIS level. This course can be taken on line and in a classroom format and will be available in multiple languages (Spanish, Portuguese, and English).

## ***Existing infrastructure to provide outreach and support***

It is an efficient strategy to examine the infrastructure that already exists for outreach and support and, where possible, work toward strengthening it. Integrating QRIS outreach and support services into the existing structures in licensing, subsidy, CCR&R, and professional development systems can be less confusing for providers and more sustainable in the long term.

Using this infrastructure to send a comprehensive, consistent message regarding the benefits of QRIS and the details of implementation is important to increasing provider interest and participation. If a QRIS appears complicated and confusing, providers may become frustrated and discouraged and either drop out or not participate at all. States have found that clarity and simplicity are key principals for QRIS implementation. At the same time, States engaged in QRIS have learned that it is often necessary to change policies and procedures, either as a response to process evaluation or experience or as a pathway to alignment with other early learning initiatives. Thus, change may be inevitable. However, as changes are made to accommodate the QRIS, it is important to clearly communicate to the provider

community the revisions, the steps involved, and the rationale. Creating and regularly updating a roadmap, manual, or toolkit for navigating the QRIS process is a helpful tool.

## **PROFESSIONAL DEVELOPMENT IN NORTH CAROLINA: A FOUNDATION OF QRIS**

For more than 15 years, the North Carolina Institute for Child Development Professionals (formerly the North Carolina Institute for Early Childhood Professional Development) has worked to develop a statewide professional development system. The system is grounded in research that links child outcomes to the professional development of teachers and directors. North Carolina's professional development system works to ensure the accessibility, availability, and affordability of the education offerings as well as applicability to the work of early care and education programs. All 58 of the State's community colleges offer an Early Childhood Associate degree program with articulation agreements to many of its 4-year colleges and universities. Financial support for professional development is available through T.E.A.C.H. Early Childhood® Project scholarships, which were first developed in North Carolina. Salary supplements are available through a WAGE\$ program based on level of education achieved. The Institute's latest effort is the Early Childhood Certification, a professional certification system. The investments that North Carolina made in its professional development system became the foundation of its QRIS and help support the higher staff qualification requirements in the QRIS.

Information about North Carolina's Institute for Early Childhood Professional Development, the T.E.A.C.H. Early Childhood Project scholarships and WAGE\$ supplements is available at <http://ncicdp.org/>.

## PROFESSIONAL DEVELOPMENT AND TECHNICAL ASSISTANCE IN PENNSYLVANIA: A CROSS-SECTOR PERSPECTIVE

Ideally, professional development and technical assistance should be part of a larger cross-sector early education effort that helps to link child care, Head Start, Early Intervention, State prekindergarten, and all other early learning programs in the State. In Pennsylvania, the early childhood Core Body of Knowledge (CBK) was originally written by a cross-sector group but focused on child care. Later, this cross-sector group helped to expand the CBK to address all modalities and align it with the cross-sector Early Learning Guidelines. Additionally, this group developed Core Competencies for Technical Assistance Consultants and Core Competencies for Professional Development Instructors. All tools can be used for 100 percent of Pennsylvania's early learning programs. In addition, the Pennsylvania Quality Assurance System (PQAS) for professional development has been developed to certify all individuals and organizations that provide professional development and technical assistance within the context of Keystone STARS, and has incorporated the CBK and Core Competencies into its system. Pennsylvania is currently working on enlarging the use of the PQAS system to apply to the rest of its early learning programs as well. A cross-sector group now meets regularly. Leaders from Nurse-Family Partnership, Pennsylvania's Children's Trust Fund, Pennsylvania Pre-K Counts, Early Intervention, Head Start, and Keystone STARS jointly explore and work on common understandings, common job specifications, ethics, and effective practices, such as how to deliver professional development to a diverse early childhood audience. Additional information is available at [http://www.pakeys.org/pages/get.aspx?page=Programs\\_STARS\\_PD](http://www.pakeys.org/pages/get.aspx?page=Programs_STARS_PD).

### *Program improvement plans*

Many States include a program improvement plan as part of the QRIS process. Most improvement plans use self-assessments, observations, or ratings to identify strengths and weaknesses, and suggest ways to make improvements. Many QRIS use the results of an assessment tool, like the ERS, as a starting point for developing this plan.

- In **Pennsylvania**, written program improvement plans are developed by the early and school-age care and education provider in the following situations:
  - ◆ STAR 2—if a self-assessment results in an ERS subscale score below 3.0.
  - ◆ STAR 3—if an ERS subscale score falls below 3.5.
  - ◆ STAR 4—an ERS subscale score falls below 4.25.

The provider can request support from the Regional Key and STARS technical assistance to assist in the development and implementation of this plan.

- In **Delaware**, all providers that participate in QRIS are required to prepare and implement a quality improvement plan (QIP). Technical assistance in preparing a QIP is offered during mandatory group orientation, where summary checklists, worksheets, and workplans are available for reference.
- In **Virginia**, the 2-year QRIS rating cycle includes access to a State-approved Star Quality mentor once a rating is assigned. The mentor works with the participating program to help design and implement a quality improvement plan.

A program improvement plan, guided by QRIS requirements and assessment tools, can serve multiple purposes. In addition to providing a roadmap for a program seeking to attain a higher quality level, it can help ensure that technical assistance is targeted and effective. It can also help the program gather data on provider needs and resources. As resources become more limited and States are increasingly asked to justify their programs and expenditures, program improvement plans can be a helpful accountability tool, both for the individual programs and the system as a whole. Data from ERS reports and other assessments can be used to target appropriate services, i.e., professional development and technical

assistance; gauge the effectiveness of a particular technical assistance intervention; and help develop cost and budget projections for overall system improvement.

### COMMUNITY COALITIONS SUPPORT VA STAR QUALITY INITIATIVE (VSQI)

The **Virginia Star Quality Initiative**, a partnership of the Virginia Early Childhood Foundation and the Virginia Department of Social Services, Office of Early Childhood Development, works through local organizations to implement and support program rating and improvement. Once an early care and education program is rated, the program receives a detailed rating summary report and a trained mentor to facilitate improvements. Local early childhood organizations work with the state administrative hub through eight QRIS regions to coordinate the rating process and quality improvement supports. Before implementing the initiative, communities are asked to identify local resources to inform, train, and mentor VSQI participants. The coalitions train early childhood professionals to be mentors or raters. Programs are assessed every two years by trained and experienced Star Quality Raters, who are regularly monitored for consistency and reliability. On-site assessments and documentation reviews are conducted every two years to determine which star level a program will receive. This also establishes consistency in quality measurement among programs, giving improved information and accountability for programs and families. Programs are also coached by Star Quality Mentors as they progress and improve their quality of care for Virginia's children. In Virginia, a Star Quality Mentor is the person assigned to provide on-site technical assistance to a child care program who has received a VSQI rating. The Star Quality Mentor assists child care programs in developing a Quality Improvement Plan (QIP) that is tied to the VSQI standards and coaches programs in an effort to achieve quality improvement goals. All mentors must be approved by the state administrative hub. Additional information is available at <http://www.smartbeginnings.org/Home/StarQualityInitiative/ForEarlyChildhoodProfessionals.aspx>.

### PENNSYLVANIA'S APPROACH: "RESPONSIVE TECHNICAL ASSISTANCE" VS. "EVERYONE GETS A COACH"

**Keystone STARS**, Pennsylvania's QRIS, does not assign a technical assistance specialist to every program that participates. Instead, technical assistance is "responsive," meaning that programs may request technical assistance to help them first participate in STARS or to increase their star level. STARS Technical Assistance is an intensive, one-on-one service available to facilities that have been awarded a STAR level and have enrolled in or completed the Keystone STARS Core Professional Development Series. STARS TA is coordinated by the Regional Keys to Quality programs and provided by consultants who have the knowledge, skills, and experience necessary to help guide programs in the Keystone STARS content areas of Staff Qualifications and Professional Development, Leadership and Management, Early Learning (and School Age) Program, Partnerships with Family and Community. The facility will develop an action plan with their STARS TA consultant. Facility practitioners are expected to be actively involved in taking the steps necessary to meet the goals of their action plan. With their STARS TA Consultant, the facility will establish a timeline to complete their action plan. Action plans are generally completed in 6 months or less. Additional information on PA's Technical Assistance is available at [http://www.pakeys.org/pages/get.aspx?page=Programs\\_Tech](http://www.pakeys.org/pages/get.aspx?page=Programs_Tech).

### *Targeting program improvement and financial assistance*

Revisiting the goals and intended outcomes for a QRIS is helpful when making difficult decisions about who can or cannot access program improvement and financial assistance. If, for example, a State is committed to increasing the quality of care in low-income neighborhoods, it may focus assistance to providers offering subsidized child care services, making participation with the subsidy program a

requirement for access to services or grants within the QRIS. Or, it may base the size of a quality grant on the percentage of low-income children served by the provider.

If a goal is to encourage programs that participate in the QRIS to serve children with special needs or those in the child welfare system or some other priority population, providers serving this population may be afforded additional benefits in the QRIS. States that are concerned about raising the bar on quality may choose to target technical assistance to programs at the lowest quality levels. States concerned about provider turnover may want to target help toward providers that are most likely to remain in business and are focused on continuous quality improvement. States concerned about alignment with or transition to public school may limit their technical assistance services to providers in poor performing school districts that are most likely to attain high quality standards.

### WASHINGTON STATE TARGETS TECHNICAL ASSISTANCE VERSUS COACHING IN THEIR EARLY ACHIEVERS TQRIS

To better deploy resources, Washington States decided to focus their 25 technical assistance specialists on the **Early Achiever** programs that are working to meet Level 2 standards and devote the work of the 10 coaches on the Level 3-5 Early Achiever programs. A realigned CCR&R system allowed them to do this through a streamlining of services that meet a uniform standard of quality. All technical assistance activities from outreach through Rating Readiness are tracked in the ETO (Efforts to Outcomes) system. ETO allows users to review how resources are being deployed across the state and allows for an analysis that can lead to program changes to maximize effectiveness and efficiency in the TA framework. Additional information is available at <http://wa.childcareaware.org/providers/early-achievers>.

Decisions regarding practitioner outreach and support are often based on financial resources. Some helpful steps toward identifying resource needs include projecting costs, examining the feasibility of redirecting current quality initiatives, and testing different financial scenarios to determine what is feasible. The Cost Estimation Model (CEM) is a Web-based tool designed to help States determine what it will cost to implement the QRIS. The CEM can be used to estimate costs at early or full-scale implementation, as well as at any point in between, by simply varying the participation rates. It can also be used to estimate costs by varying the elements included in the QRIS.

The Provider Cost of Quality Calculator (PCQC) is another tool that can help to determine if there is a gap between the cost of providing quality services and the revenue sources available to support an early care and education service provider. Knowing the size of the gap at different quality levels for various provider types can inform the design of financial support and incentive packages. Both of these tools are available by contacting [OCCQualityCenter@icfi.com](mailto:OCCQualityCenter@icfi.com).

### ***Participating programs that do not receive child care subsidy reimbursement***

If the goals of the QRIS include participation by providers outside the subsidized child care system, it will be important to identify incentives that are meaningful to that provider population. (See the “Initial Design Process” section for additional information.) Some States have created special tracks or pathways for programs, such as Head Start, prekindergarten programs, and accredited programs, in recognition of the additional standards these programs meet. Another strategy used by States to ensure broad participation is to tie receipt of financial incentives, including quality improvement grants, to the QRIS. In some States, child care programs rated at certain levels have greater opportunities to participate in the State prekindergarten program. Access to professional development resources, such as onsite technical assistance, mental health consultation, or scholarships, can be targeted to those providers committed to improving their QRIS level.



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## Offering Financial Incentives

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### ***Financial support***

Financial incentives are monetary awards within a QRIS which are generally intended to help support the costs of improving program quality and/or of maintaining program quality. Awards can be structured to encourage programs to participate in a QRIS, to serve low-income children, or to improve classroom or practitioner quality. Awards can help parents access higher quality programs, encourage educators to seek higher qualifications, and support educator compensation commensurate with qualifications.

In most early and school-age care and education programs, the primary revenue source is tuition and fees, or subsidy in lieu of tuition. Because consumers are very price sensitive, and subsidy reimbursement rates are limited, this revenue source frequently fails to cover the cost of delivering high-quality services. Raising the reimbursement rate via a tiered reimbursement strategy is often an insufficient approach unless it is coupled with a strategy that boosts enrollment, e.g., through the use of contracts or guaranteed slots for higher star-rated programs.

Given a recession economy, coupled with the challenges of tiered reimbursement and full tuition collection, third party funding is often essential, especially for programs that serve low- and moderate-income families. Strong programs typically access and layer multiple funding streams, including child care subsidies, Head Start and prekindergarten funding, foundation grants, parent fees, and other public and private resources. In theory, QRIS quality supports could be one of several sources of third-party funding that help fill the gap between the cost of implementing and maintaining a quality program and the fees that parents pay.

QRIS offers a unique framework for providing a wide range of financial incentives. Indeed, experience suggests that best results come from a combination, or menu, of strategies. Some of the financial incentives States use to encourage participation in QRIS are discussed in more detail below. There are several common types of incentives: quality improvement grants, quality achievement awards, wage and retention awards, scholarships, grants and loans, refundable tax credits and tiered subsidy bonuses. Financial incentives can be designed to support quality improvement and quality maintenance. In most cases, the QRIS financial support offered by States is structured as a **supply-side intervention** and awarded directly to a particular program or practitioner. Examples include grants for program improvement, technical assistance to programs, professional development scholarships, and wage supplements for personnel. However, QRIS support can also be a **demand-side intervention** aimed at changing consumer behavior. Examples of this approach include financial incentives for consumers to choose higher quality, such as refundable tax credits, and user-friendly Web sites that make it easy for parents to identify better quality programs. A strong financing strategy will likely include both supply- and demand-side interventions.

As noted earlier, it is important to think strategically about the relationship between financial awards/incentives and the cost of delivering services at each quality level in a QRIS. The Provider Cost of Quality Calculator (PCQC) can help to establish or re-calibrate the value of awards based on projected costs. Recent experience with the PCQC suggests that in many cases, States are inadvertently rewarding providers for remaining at lower star levels because award levels are more than adequate for entry but fail to rise to the level needed to attain or maintain quality at the highest levels. Using the PCQC, States can re-adjust rates to address this concern.

Austin, Whitebrook, Connors, and Darrah analyzed how a sample of QRIS provided incentives and supported wages and benefits for staff in their *Policy Report 2011, Staff Preparation, Reward, and Support: Are Quality Rating and Improvement Systems Addressing All of the Key Ingredients Necessary for Change?* (2011). The report includes an analysis of both quality rating and improvement system supports for professional development and quality rating rubrics related to staff formal education, compensation and benefits, and adult work environments in center-based programs. The report is

available at [http://www.irle.berkeley.edu/cscce/wp-content/uploads/2011/12/CSCCEQRISPolicyBrief\\_2011.pdf](http://www.irle.berkeley.edu/cscce/wp-content/uploads/2011/12/CSCCEQRISPolicyBrief_2011.pdf).

## MAINE QRIS INCLUDES MULTIPLE PROVIDER INCENTIVES

Providers that participate in Maine's **Quality for ME QRIS** have access to targeted technical assistance from a range of organizations, resource materials, and publicity. Additionally, they may receive the following financial incentives:

- Priority access to scholarships for income-eligible staff who wish to pursue early childhood education degrees
- A reimbursement differential for each child whose care is subsidized by the Department of Health and Human Services Office of Child and Family Services: °Ten percent quality differential for programs that have reached Step 4 in the QRIS
- Five percent progress differential for programs that have reached Step 3
- Two percent quality differential for programs that have reached Step 2
- Double child care State income tax credit for parents whose child is enrolled in a program at the Step 4 level
- A Child Care Investment Tax Credit for expenses made to improve quality for programs that pay State taxes and have a QIP

Additional information about Maine's incentive program is available at [http://www.maine.gov/dhhs/ocfs/ec/occhs/grs\\_application\\_manual.pdf](http://www.maine.gov/dhhs/ocfs/ec/occhs/grs_application_manual.pdf).

## MULTIPLE FINANCIAL AWARDS LINKED TO PENNSYLVANIA'S QRIS

Pennsylvania's **Keystone STARS** offers an array of financial incentives to participating child care programs that serve a subsidized population of no less than 10%. These financial incentives are as follows:

- Annual STARS Merit Awards are for programs at STAR 2–4 levels. At the STAR 2 level, awards are available to programs three times, or up to five times with a CQI plan and demonstrated progress. Awards are ongoing for STAR 3 and 4 programs. For Family Child Care Homes, these awards range from \$1000 at a STAR 2 to \$2000 at a STAR 4. For Group Homes, these amounts are \$1575 to \$3225. Center Merit Awards are based on STAR Level and size of program. Awards can range from \$1500 for a small center at STAR 2 to \$49,250 for very large center (serving at least 181 children) at STAR 4.
- Education and Retention Awards (ERA) are annual awards for highly qualified staff who have been employed onsite at least 12 consecutive months prior to the date of the ERA request. To be eligible, Directors must earn less than \$45,000 per year and teaching staff less than \$35,000 per year. The information below is for full-time staff (working at least 35 hours per week). Amounts are pro-rated for less than 35 hours:
  - ◆ Directors with a Bachelor's degree in Early Childhood Education can obtain an ERA of \$3090 at STAR 2 to \$4120 at STAR 4
  - ◆ Staff with a BA in Early Childhood Education can earn \$2320 at STAR 2 to \$3090 at STAR 4.
  - ◆ Staff with an AA in Early Childhood Education can earn \$1545 at STAR 2 to \$2060 at STAR 4
  - ◆ Staff with a CDA qualify for award amounts ranging from \$600 at STAR 2 to \$800 at STAR 4.
- The STARS subsidy bonus is applicable to family and group homes and centers at the STAR 1 level or higher. The subsidy add-on daily rate for different STAR levels include the following:
  - ◆ STAR 1 - \$0.35 for full-time, and \$0.15 for part-time
  - ◆ STAR 2—\$0.95 for full-time, and \$0.45 for part-time
  - ◆ STAR 3—\$2.80 for full-time and \$1.05 for part-time
  - ◆ STAR 4—\$5.00 for full-time and \$1.35 for part-time
- Rising STARS Support Grants. All active STAR 1 child care certified early care providers who are actively working on a Continuous Quality Improvement plan that includes moving up to a STAR 2 in a reasonable amount of time are eligible. Providers may not receive more than two previous support grants and STARS Head Start, PA Pre-K Counts and private licensed nursery schools are excluded. Centers and groups can be eligible for up to \$5000; family child care up to \$2000.
- Rising STARS Tuition Assistance Program pays 95% of tuition costs for eligible college coursework taken by early learning professionals, with a maximum benefit of \$4500 per individual each fiscal year. To be eligible the individual must be employed for at least a year at a Keystone STARS facility, have a base wage of less than \$20 per hour, working in the early learning program at least 20 hours per week, be a resident of PA and taking courses from an accredited PA institution of higher education or an accredited distance learning institution. Once enrolled, the individual must agree to remain employed at the STARS facility for at least two months for each credit paid by the program and maintain an overall grade point average of 3.0 or higher.

Additional information on these grants and awards for Fiscal Year 2013=2014 is available at [http://www.pakeys.org/pages/get.aspx?page=Programs\\_STARS\\_Grants](http://www.pakeys.org/pages/get.aspx?page=Programs_STARS_Grants)

## WASHINGTON'S FINANCIAL INCENTIVES AND SUPPORTS

Washington has a package of supports and financial resources for **Early Achievers** participants at all Levels. Facilities that register at Level 2 are eligible to receive a 2% subsidy increase for participating in Early Achievers and achieving a Level 3—5 within 30 months. Level 2 facilities are also provided with no cost training. Quality Improvement awards are provided annually for level 3—5 facilities in order to ensure that quality improvement efforts can be maintained over time and scholarships are targeted to participants at Level 3—5. More information can be found at <http://www.del.wa.gov/care/gris/participants.aspx>.

## TIERED SUBSIDY REIMBURSEMENT

Tiered subsidy reimbursement is a commonly used QRIS financial incentive in which programs with higher quality ratings receive higher child care subsidy reimbursement rates or bonuses. The rate differential typically ranges from 5 to 20 percent higher than the base rate but can be much higher in some States, especially for infant and toddler care.

## QUALITY GRANTS, BONUSES, AND MERIT AWARDS

Quality grants, bonuses, or merit awards are incentives awarded directly to a child care center or family child care home based on participation in QRIS or attainment of a specific QRIS level. Quality grants, bonuses, or merit awards are typically not linked to the child care subsidy reimbursement system, although in some cases States will require the program to be willing to accept subsidized children or make larger awards available to programs based on the percentage of low-income children they serve. However, the strategy is often focused on programs serving all children, not just low-income children.

The amount of an improvement grant varies among states from approximately \$250 to \$5,000. In most states, the improvement grant is by application, varies with program need, and may be time-limited. In both **Pennsylvania** and **Ohio**, the grants vary by a combination of setting, enrollment size and quality level, and their use must be related to a Quality Improvement Plan (QIP.)

Further discussion of incentives can be found in *Financial Incentives in Quality Rating and Improvement Systems: Approaches and Effects* (Mitchell, 2012), which is available at <http://grisnetwork.org/sites/all/files/resources/gscobb/2012-05-24%2015%3A13/Approaches%20to%20Financial%20Incentives%20in%20QRIS.pdf>. The document, *QRIS Financial Incentives* (NCCCQI, 2014) which includes several State examples of incentives used for QRIS, is available at [https://occqrisguide.icfwebservices.com/files/QRIS\\_Financial\\_Incentives.pdf](https://occqrisguide.icfwebservices.com/files/QRIS_Financial_Incentives.pdf).

## AWARDS, GRANTS AND TIERED REIMBURSEMENT IN DELAWARE STARS

**Delaware Stars for Early Success** Quality Improvement Grants, as well as Tiered Reimbursement to participating early childhood education programs.

Grants provide funding support to programs actively working toward the next Star Level. Grants are available based on annual funding allocations. A program may receive a grant once at each Star Level (2, 3, and 4). It must be clear on the Quality Improvement Plan (QIP) and in the grant request that the program is working toward the next Star Level Designation. Evidence must include regularly meeting with the Technical Assistant (TA), progress towards completion of standards, and progress in preparing for a Practice or Verification ERS. Grants must be used for materials and/or professional development to meet the standards in the Quality Improvement Plan. They should be utilized for materials and equipment that will increase the quality of care for children and actively engage them in activities. Grant amounts vary by program type and size. Grants for centers range from \$1500 to \$3000, for school-age only programs from \$500 - \$1000 and for family child care from \$500 - \$1000. Changes are anticipated for 2014.

Tiered reimbursement is available to programs at Star Levels 3, 4 and 5. Programs at Star Level 3 receive an additional state supplemental reimbursement that reflects a total reimbursement of 80% of the market rate, Star Level 4 at 90% and Star Level 5 at 100% of the market rate. Changes are anticipated for 2014.

Additional information is available at <http://www.delawarestars.udel.edu/wp-content/uploads/2013/08/GrantsAwardsProcedures8.12.2013.pdf>

Early Childhood programs participating in Delaware Stars have additional new supports through the Early Learning Challenge:

- CORE Awards (Compensation, Retention and Education Awards) are available to individuals working in Star 3, 4 & 5 programs as they move up the career lattice, remain at their current program and/or are recruited to other programs participating in Stars.
- Developmental screening and child formative assessment is offered to Stars programs, including free training, technical assistance, materials and online reporting. In 2014, additional supports for curriculum are being incorporated into this strategy.
- Early Learning Leadership Initiative (ELLI) is working with individuals in leadership positions or potential leaders, in Stars programs, and providing them with free professional development in leadership, a nine-credit series developed by the McCormick Early Childhood Center, Aim4Excellence Credential.
- Infrastructure grants for technological and capital improvements related to their quality improvement goals through Stars.

## KENTUCKY QRIS INCENTIVES INCLUDE GRANTS AND SUBSIDY BONUS

Providers that participate in **Kentucky's** STARS for KIDS NOW QRIS are eligible for several incentive awards.

- The STARS Initial Achievement Award is granted once a licensed/certified program attains a Star level and varies by level and number of children served from \$100 to \$5000. It is also granted one time as each subsequent higher star level is achieved. If a program achieves a Level 3 the first time they are rated, they will receive payment for Level 1, Level 2 and Level 3.
- An Annual Achievement Award is granted to licensed/certified programs that maintain their STARS Level 3 or 4 statuses and varies by level and number of children served from \$250 to \$2500.
- The Quality Incentive Award is available to STARS Level 2–4 licensed and certified programs serving children participating in the Child Care Assistance Program (CCAP). It is based on the percentage of subsidized children served, level, and age of children.
- The Annual Enhancement Award is paid to STAR level 4 licensed centers that pay at least 50 percent of the cost of a single health insurance plan for each employee or to certified family child care homes that achieve an average score above 5.5 on the environment assessment.

Additional information is available at <http://chfs.ky.gov/dcbs/dcc/stars/starsproviderinfo.htm>



## A VARIETY OF FINANCIAL SUPPORTS IN MARYLAND'S QRIS

Statewide participation in the new Maryland QRIS, EXCELS, was launched in July 2013. With the redesign of the program there was also redesign of the awards, bonuses and incentives. They include the following:

- **Program Bonuses** – awarded to participating programs based on the Check Level rating and assigned capacity of the facility. These bonuses range from \$50 to \$1000 for family child care and from \$50 to \$4500 for centers.
- **Credential Bonuses** – full amount bonuses available to staff in participating programs. Staff bonuses are based on the Credential Level, and range from \$200 to \$500 at Levels 2, 3 and 4 and from \$600 to \$1000 for Staff Levels 4 Plus, 5 and 6. The bonuses at the lower levels (2 – 4) are one time only, while the bonuses at the higher levels (4 plus – 6) are annual. There are also bonuses for the Administrator Credential, with Level 1 amount of \$400, and a one-time only award, and Levels 2, 3, and 4 can receive \$750, \$1000 and \$1500 respectively on an annual basis.
- **Incentives, Grants and Supports** – participating programs and their staff have access to quality improvement incentives, grants and supports including but not limited to:
  - ◆ Accreditation Fund Support
  - ◆ Curriculum Fund
  - ◆ Child Care Quality Incentive Grants
  - ◆ Training Vouchers and Reimbursement
  - ◆ Child Care Career and Professional Development Fund
  - ◆ Increased Subsidy Reimbursement Rates by Check Levels (Levels 3, 4 and 5)
  - ◆ Infant Toddler Expansion Grants

Additional information on Maryland EXCELS and their financial supports can be found at [www.marylandexcels.org](http://www.marylandexcels.org)

## WAGE SUPPLEMENTS

Wage or compensation supplements, some of which are linked to QRIS, are available in almost 20 States. These awards are generally intended to reward individuals for the credentials and qualifications they have achieved and help programs retain qualified staff. States that offer wage supplements include the following:

- **Louisiana** offers QRIS wage and retention awards via the state income tax system, structured as refundable tax credits that are received when the practitioner files his or her tax return. Child care teachers and directors are eligible for a refundable tax credit if they work for at least six months in a program participating in Quality Start at any level. This credit intentionally does not vary by Star level and includes Level 1 so as to support retention and continuity, rather than drive higher qualified staff to higher rated programs. The annual amount is based on education levels and ranges from \$1,500 to \$3,000.
- **Maryland** offers Achievement Bonuses for teachers that maintain 1 year of continuous employment in a center that participates in the QRIS and complete continuing training and professional development activities. A one-time bonus at Credential Levels 2, 3, 4 and Administrator Level 1 and yearly bonuses for Credential Levels 4+, 5, 6 and Administrator Levels 2, 3 and 4, is paid directly to the participating individual. One half of the bonus is paid initially and the remainder is paid upon completion of all requirements the following year. Bonuses range from \$200 to \$1,000.

- In the **North Carolina** WAGE\$ program, salary supplements are tied to the educational level of the individual, the position the individual holds in their program, and the “tier” level chosen by each participating Smart Start Partnership, at the county level. Partnerships choose which of three tiers of financial supports they are able to provide. Teachers receive supplements in 6-month increments after maintaining 6 months of continuous employment in a licensed center or family child care home. Supplements range from \$200 to \$6,250 and are paid directly to the participating individual.

Descriptions of other State compensation initiatives are included in Appendix A of a report entitled *Early Care and Education Compensation and Policy Options for Louisiana* (Stoney, 2013) and is available at <http://www.brightstartla.org/assets/files/Early%20Care%20&%20Education%20Compensation%20and%20Policy%20Recommendations.pdf>

## SCHOLARSHIPS

Scholarships and financial support to help staff pay for college courses and related expenses are another type of financial incentive States use to encourage participation in QRIS. Quite a few States have elected to replicate the T.E.A.C.H. Early Childhood Project scholarship initiative, and some link this benefit to QRIS participation. In Arizona, for example, T.E.A.C.H. scholarships are limited to early care and education providers that are employed in regulated centers or family child care homes that participate in the Quality First! QRIS pilot program.

### OKLAHOMA CREATED THE SCHOLARS FOR EXCELLENCE IN CHILD CARE INITIATIVE

Oklahoma has created its own scholarship program, the Scholars for Excellence in Child Care Initiative, to help early and school-age care and education providers continue their education and meet **Reaching for the Stars** QRIS criteria. To qualify for the Scholars for Excellence initiative, providers must work in One-Star Plus or above child care facilities that are licensed and care for subsidized children, i.e., at least 10 percent of children in care must receive subsidies. Through this program, a scholar coordinator is placed at each community college to recruit, advise, and support students as they are often entering the higher education system for the first time. Central office and community college coordinators assist providers with career counseling and obtaining financial assistance including Child Care and Development Fund (CCDF) funded scholarships for Child Development Associate or Certified Childcare Professional credential assessments, career tech, or community college coursework. Scholarship funds can be used to pay for tuition, fees, limited release time, and books. Scholar coordinators make at least two onsite technical assistance visits with the provider each semester to provide classroom assistance or career advisement. Additional information is available at <http://www.okhighered.org/scholars/>.

## LOANS

Some States have crafted loan programs that assist child care programs in improving their quality as well as increasing capacity. **North Carolina** worked with its statewide Community Development Financial Institution, Self-Help, to offer financing for a wide range of purposes including minor renovations to existing buildings (whether leased or owned), working capital, bridge loans, equipment purchases, and startup expenses. In a direct link to the QRIS, the loan fund has a special provision to activate a Disaster Relief Child Care Loan program if counties are declared Federal disaster areas by the Federal Emergency Management Agency. Applications are accepted up to 1 year after the date of the disaster. If during the loan period the participating provider raises its QRIS quality level, its loan can get a partial conversion to a grant. Additional information about loan programs is available at <http://www.self-help.org/business-and-nonprofit-loans/loan-products-1/ccrlf>.

## TAX CREDITS

All of the financial incentives described above are supported by funds appropriated by the State. Most tap Federal CCDF dollars, and a few allocate State general funds or draw in other resources. A handful of States have begun to tap State general fund dollars to support QRIS incentives by using the tax system. Louisiana has the most extensive tax-based incentive system for participation in QRIS, including refundable credits for families, providers, teachers, and investors.

### LOUISIANA LINKS REFUNDABLE TAX CREDITS TO QRIS

In 2007, Louisiana passed legislation that created an innovative early care and education financing strategy, School Readiness Tax Credits (SRTC), designed to support the State's new QRIS, **Quality Start**. Enhanced tax credits are available to families that enroll children in Quality Start centers; proprietary and nonprofit child care providers that participate in Quality Start; child care teachers and directors that work in Quality Start centers; and businesses that support child care providers or CCR&R agencies. An important strength of the SRTC is that most of the tax credits, including those available to teachers and early care and education programs, are refundable. A refundable tax credit is available to taxpayers even if it is greater than their tax liability or if they owe no taxes at all. This means that eligible child care teachers who earn low wages (and therefore pay little or no tax) receive a wage subsidy each year in the form of a tax refund. In addition, nonprofit child care centers may receive what is essentially an annual grant, in the form of a tax refund, based on their star level and the number of eligible children they serve. Additional information is available at <http://www.qrsloisiana.org/tax-credits>.

Financing and administering QRIS incentives via the tax system is a new, and unique, approach that has both strengths and weaknesses. Tax-based financial incentives are often used to promote economic development and may help garner support for QRIS from a broader group of policymakers and business leaders. A tax-based approach can also be a more stable source of funding because, in most States, an annual appropriation is not required. However, to be effective, tax credits require a deeper level of engagement and understanding among child care providers and consumers. And, to benefit lower-income providers and consumers that most need help, the credits must be refundable.

Several other States are experimenting with tax-based financial incentives for QRIS. **Maine** has an innovative child care investment tax credit, **Oregon** and **Colorado** have a child care contributions tax credit, and several States including **Florida** and **Oklahoma**, have tax credits for proprietary child care providers that meet higher quality standards. Additional information about linking tax benefits to QRIS can be found in *Tax Credits for Early Care and Education: Funding Strategy in a New Economy* (Blank & Stoney, 2011). The report is available at [www.earlychildhoodfinance.org/downloads/2011/OpEx\\_IssueBrief\\_Tax\\_Final1.pdf](http://www.earlychildhoodfinance.org/downloads/2011/OpEx_IssueBrief_Tax_Final1.pdf).

### ***The effect of tiered reimbursement on prices charged to nonsubsidized families***

Although there are many benefits to establishing tiered child care reimbursement rates, this strategy can have the unintended consequence of driving up the price of care for nonsubsidized families or actually discouraging some child care programs from participating in the QRIS. As noted earlier, tiered reimbursement is typically structured as a percentage or dollar add-on to the public child care subsidy reimbursement rate. The percentage add-on typically ranges from 5 to 20 percent with higher rates awarded to programs at higher levels in the QRIS or those serving special populations, such as infants and toddlers.

Child care subsidy reimbursement rates are based on fees charged to nonsubsidized families. Fees are often set in relation to the pressures of the local market – what are other providers charging? And what

can families afford? When this market pressure is added to the cost of complying with higher QRIS standards, the result may be that programs decide that they cannot afford to pursue higher quality.

One way to avoid this problem is to structure the tiered reimbursement allocation as a bonus rather than a per-child rate increase. Quite a few States have taken this approach, including **Kentucky** and **Pennsylvania**. When the rate add-on is structured as a bonus, participating programs receive a lump sum allocation that is determined by their quality level and the number of subsidized children they serve. This approach does not require a rate increase and, therefore, does not require a price increase to fees paid by parents. The Urban Institutes' document, *Essential but Often Ignored: Child Care Providers in the Subsidy System* (Adams & Snyder, 2003) includes an analysis of the financial implications of tiered reimbursement structured as a rate increase or a bonus. A graphic that illustrates payments providers would receive under three different rate policy approaches is available at [http://www.urban.org/UploadedPDF/310613\\_OP63.pdf](http://www.urban.org/UploadedPDF/310613_OP63.pdf).

The value of a tiered bonus is related to the value of the basic subsidy rates. If the subsidy rate ceilings are high compared to average tuition fees in the market, those subsidy rates may be sufficient to cover the cost of programs at the lower levels of quality. In that case, the tiered bonus may only need to be offered at the higher levels of the QRIS. This also serves to support higher quality programs serving low-income children. Alternatively, if a state has low subsidy rate ceilings, then tiered bonuses have to be quite large to be effective and offered at all levels of the QRIS.

The unintended consequences of tiered reimbursement can also be mitigated by offering programs that participate in QRIS a range of financial incentives. This is important because for a program to offer higher quality to subsidized children, it must maintain higher quality for all children.

### FINANCIAL INCENTIVES: GENERAL AND TARGETED SUPPORT IN NORTH CAROLINA'S QRIS

North Carolina has taken a two-pronged approach to incentives to help early and school-age care and education programs improve their quality to achieve higher ratings in the Star Rated License. First, the State expanded its tiered subsidy reimbursement program to correspond to the rating system. As reimbursement rates have increased over time and funds have been insufficient to fully implement rate increases, the 3–5 star rates were often the only rates increased. The second part of this approach is targeted supports, those that specifically offset the increased costs that providers encounter when increasing their quality. These include one-time improvement grants, scholarships for higher education requirements, and wage supplements and health insurance reimbursements to help with staff retention. These financial supports are intended to focus the State's limited resources on the improvements that are the most costly, thereby helping early care programs to avoid fee increases and minimizing the financial impact to middle-income parents. Additional information is available at [http://ncchildcare.dhhs.state.nc.us/parents/pr\\_sn2\\_ov\\_sr.asp](http://ncchildcare.dhhs.state.nc.us/parents/pr_sn2_ov_sr.asp).

### ***Projecting the cost of providing financial incentives***

A companion to this Resource Guide is the QRIS **Cost Estimation Model** (CEM), which is based on a cost modeling tool developed by Anne Mitchell of the Alliance for Early Childhood Finance. The CEM is designed to help administrators determine the costs of implementing all the elements of a QRIS for their State, as well as explore the financial implications of various phase-in and scale-up options.

The QRIS CEM takes into account the costs of each of the following elements:

- Quality Assessment
- Professional Development

- Technical Assistance
- Financial Incentives
- Communication for Public Awareness
- Facility Improvements
- System Evaluation
- Data System

The QRIS CEM is designed to be used with this Resource Guide. The CEM can be used to estimate the cost per year of phasing in a QRIS, the cost of certain elements, or the overall cost of a fully implemented QRIS. Information about how to access the CEM is available by contacting [OCCQualityCenter@icfi.com](mailto:OCCQualityCenter@icfi.com).

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